

BMW Group

August 9, 2004

Mr. Kenneth N. Weinstein
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 Seventh Street, S.W.
Washington, DC 20590

**Re: Recall Campaign – Throttle Valve Control
2004 BMW X5 3.0i (Manual Transmission)**

04V-409
(6 pages)

Dear Mr. Weinstein:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573.

Pursuant to Section 573.6(c) of the above, we submit the following information.

- Manufacturer: Bayerische Motoren Werke AG (BMW AG)

Designated Agent: BMW of North America, LLC
Woodcliff Lake, New Jersey 07677
- Make: BMW

Model year / Model: Inclusive Dates of Manufacture:
2004 / X5 3.0i (manual transmission) 08/25/2003 – 04/15/2004
- The number of vehicles potentially containing the defect is approximately 358.
- The percentage of vehicles estimated to actually contain the potential defect is 100%.
- The potential defect involves the electronic programming of the digital engine management control unit with regard to throttle valve control. Specifically, if the vehicle is in first gear, moving slowly, with low but constant throttle (approximately 1,500 – 2,000 rpm), and the clutch pedal is partially depressed (approximately 1 - 2 inches), and held at this position (resulting in activation of the clutch switch), engine speed may increase.

If all of these factors occurred simultaneously, this could result in undesired vehicle acceleration. However, a number of countermeasures taken by the driver can mitigate this potential problem, such as, fully depressing the clutch pedal when shifting, not "riding the clutch", removing the foot from the accelerator pedal, and depressing the brake pedal.
- BMW became aware of the potential problem in June 2004 through the receipt of a single customer complaint. Subsequent investigations and analyses resulted in a

Company
BMW of North America, LLC
BMW Group Company

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Westwood, NJ
07676-1227

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determination of the potential defect, as well as, the number of potentially affected vehicles.


BMW has not received any reports, nor is BMW aware of any accidents or injuries related to this potential defect.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the digital engine management control unit will be reprogrammed.

BMW expects to begin and complete owner notification in August 2004.

9. A copy of the Service Bulletin will be submitted when available.
10. A draft copy of the owner notification letter is attached.
11. Not applicable.

Sincerely,



Karl-Helz Zivica
Vice President
Engineering-US

Attachment

TREAD ACT CUSTOMER REIMBURSEMENT PLAN
(BMW of North America, LLC)

Customer Reimbursement for Safety Related Recall Repairs
Effective with Safety related recalls initiated January 16, 2003

The customer is encouraged to request reimbursement from their authorized BMW SAV center. Alternatively, the customer may submit the request for reimbursement to the following address:

Customer Relations Department
BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07675-1227

In all cases:

- Repair expenses pertaining to the subject of the safety recall are reimbursable, not consequential expenses such as towing, rental, accommodations, damage repairs, etc.
- Expenses from repair facilities outside of the BMW SAV center network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.
- When BMW Genuine Parts are used, the Manufacturers Suggested Retail Price (MSRP) will be considered as the guideline for reasonable charges.
- Expenses for repairs performed more than 10 days after the date of the last owner notification letter sent by BMW are not eligible for reimbursement.
- Taxes and hazardous waste disposal, where previously paid, are eligible for reimbursement.
- BMW will not reimburse for prior repairs that did not utilize BMW Genuine Parts.

The authorized BMW SAV center will request a copy of the owner notification letter, as well as, a copy of the owner's previously paid invoice, and then inspect the vehicle (if still in the possession of the invoice holder) to determine the scope and quality of the previous repair. Claims shall be processed within 60 days of receipt.

Draft

August xx, 2004

Recall Campaign No. 04V-xxx, Throttle Valve Control

Dear BMW SAV Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

BMW AG has decided that a defect which relates to motor vehicle safety exists in certain 2004 BMW X5 3.0i Manual Transmission Sports Activity Vehicles (SAV). Our records indicate that you are the owner of a potentially affected vehicle.

DESCRIPTION OF DEFECT

The defect involves the digital engine management control unit. On affected vehicles, if the vehicle is in first gear, and moving slowly, with the accelerator pedal held in a constant position of low engine speed (approximately 1,500 – 2,000 rpm), and with the clutch pedal held in a partially depressed position (approximately 1 - 2 inches), engine speed may increase.

If all of these factors occur simultaneously, the vehicle may begin to accelerate.

You may continue to drive your vehicle; however, do not leave this problem unattended. If you ignore the following precautions, then depending upon traffic and road conditions, and the driver's reactions, a crash could occur.

PRECAUTIONS

- 1. CONTACT YOUR AUTHORIZED BMW SAV CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. Do not "ride the clutch". When shifting gears, always fully depress your clutch pedal. In other words, do not depress the clutch pedal only 1 – 2 inches.**
- 3. If you experience this problem while driving, you can also remove your foot from the accelerator pedal, as well as, depress the brake pedal, in order to counteract any undesired acceleration.**
- 4. If you are uncomfortable when driving your vehicle, you should pull over carefully to a safe location, and away from traffic. Do not continue to drive your vehicle. Please contact BMW Roadside Assistance immediately at 1-800-332-4269 to have the vehicle brought to the nearest Authorized BMW SAV Center.**
- 5. BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.**
- 6. If you are not the only driver of this vehicle, please advise all other drivers of this important information.**

DESCRIPTION OF REPAIR

The repair will consist of reprogramming the vehicle's digital engine management control unit.

This repair will require approximately one hour and will be performed *free of charge* by your Authorized BMW SAV center. Additional time may be required depending on the BMW SAV center's scheduling and processing.

OTHER INFORMATION

If you are no longer the owner of this vehicle, we would appreciate you furnishing us with the name and address of the new owner using the enclosed postage-paid card.

If you are a lessor of this vehicle, Federal Regulations require you to forward this notice to your lessee.

If you have already had this repair performed at your own expense, please see the attachment regarding possible eligibility for reimbursement.

Should you have any questions about this campaign, please contact your Authorized BMW SAV Center.

We appreciate your confidence in our product, and we wish to do everything we can to retain your confidence. Should you need additional assistance, you may contact BMW Customer Relations and Services at 1-800-831-1117.

If the BMW SAV Center is unable to remedy the defect without charge or within a reasonable period of time, you may notify the Administrator, National Highway Traffic Safety Administration, 400 Seventh Street S.W., Washington, DC 20590, or call the toll-free Auto Safety Hotline at 1-888-327-4236.

BMW OF NORTH AMERICA, LLC

**TREAD ACT CUSTOMER REIMBURSEMENT PLAN
(BMW of North America, LLC)**

If you have paid for the repair described in the attached letter, and you would like to be considered for reimbursement, please contact your authorized BMW SAV center. Expenses from repair facilities outside of the BMW SAV center network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.

Your authorized BMW SAV center will request a copy of your owner notification letter, as well as, a copy of your previously paid invoice, and then inspect the vehicle (if it is still in your possession) prior to submitting a claim on your behalf to BMW of North America, LLC for reimbursement.

Please note the following:

- Only a repair that is the subject of this safety recall is reimbursable. Consequential expenses such as towing, rental, accommodations, damage repairs, etc will not be reimbursed.
- When BMW Genuine Parts are used, the Manufacturers Suggested Retail Price (MSRP) will be considered as the guideline for reasonable charges.
- Expenses for repairs performed more than 10 days after the date of the last owner notification letter sent by BMW are not eligible for reimbursement.
- Taxes and hazardous waste disposal, where previously paid, are eligible for reimbursement.
- BMW will not reimburse for prior repairs that did not utilize BMW Genuine Parts.

We anticipate that your authorized BMW SAV center will be able to answer any questions that you may have regarding your qualifications for reimbursement of a previous repair. If you qualify for such a reimbursement, they will also be able to advise you of the manner in which you could receive reimbursement.

We recommend that your authorized BMW SAV center be your primary contact on this issue; however, our Customer Relations Department may be contacted at 1-800-831-1117 for any special assistance that you may require.

Alternatively, you may submit your request for reimbursement to the following address:

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BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07675-1227